



DONALD L. WOLFE, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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July 28, 2005

IN REPLY PLEASE

REFER TO FILE: **PM-3**

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**FIRE STATION 72 – REPLACEMENT BUILDING
APPROVE APPROPRIATION ADJUSTMENT
APPROVE REVISED TOTAL PROJECT BUDGET
SPECS. 6582; C.P. 70747
SUPERVISORIAL DISTRICT 3
3 VOTES**

**JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE OFFICER AND
THE FIRE CHIEF THAT YOUR BOARD, ACTING AS THE GOVERNING BODY OF
THE CONSOLIDATED FIRE PROTECTION DISTRICT:**

1. Approve the enclosed appropriation adjustment in the amount of \$1,124,000 for the Fire Station 72 - Replacement Building project, Capital Project 70747, from the Fire Protection District's Accumulated Capital Outlay Fund, Services and Supplies.
2. Approve the revised total project budget of \$4,453,345 for construction of the Fire Station 72 - Replacement Building project.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approving the recommendations will allow the construction completion of the Fire Station 72 - Replacement Building project located in the unincorporated area of Malibu.

In July 1997, your Board approved a construction contract to demolish and rebuild Fire Station 72. Construction began in 1997 and was suspended in 1999 when the general contractor, Global Construction, defaulted on the construction contract. Between 1999

and 2004, under authorization from your Board, the Fire Chief, Chief Administrative Officer, and Director of Public Works negotiated and executed a completion agreement, explored and identified a solution to the septic system issue, and completed the related and required design services for implementation of the proposed project.

On March 30, 2004, your Board authorized the Chief Administrative Officer, Fire Chief, and Director of Public Works to negotiate and execute an amendment to the completion agreement with the surety, Great American Insurance Company, to complete construction and settle outstanding claims. The prolonged negotiations resulted in the amendment being executed by all required parties in October 2004, which authorizes the Fire District to procure a new replacement contractor to complete the project.

The modifications to the proposed project plans and specifications were completed and jurisdictional approvals were obtained in March 2005. The modifications include changes to meet the current building code, the current functional and operational needs according to the fire station prototype program, and accessibility features for disabled persons required by the Americans with Disabilities Act (ADA).

On May 11, 2005, three bids were received. The Chief Administrative Office (CAO), Fire District, and Public Works reviewed the bids and determined Braaksma Construction, Inc., with the low bid of \$2,030,000 will provide the best value for the County. The review and selection process was completed on June 28, 2005. It is recommended that your Board approve the enclosed appropriation adjustment to complete the partially constructed Fire Station 72 – Replacement Building project by March 2006.

Implementation of Strategic Plan Goals

Upon completion of the Fire Station 72 – Replacement Building project, the County's Strategic Plan Goal of Service Excellence will be met by significantly enhancing fire and emergency medical response services to the residents of the unincorporated area of Malibu.

FISCAL IMPACT/FINANCING

The revised total project budget is \$4,453,345, which represents an increase of \$1,124,000 from the previously approved project budget. The overall increase in project costs reflects a net increase of \$905,784 in construction costs, a decrease in land acquisition costs of \$157,574, and a net increase of \$375,790 in project soft costs.

The overall increase is primarily attributable to the delay in the project's construction and new building code, ADA accessibility, and Fire District program requirements that

were implemented during the period of delay. Changes in building code and ADA requirements, combined with cost escalation during this period, increased construction costs by \$990,623. Design changes to accommodate the Fire District's new, larger firefighting vehicles and an energy-producing solar panel system resulted in an additional \$227,271 in construction costs. These increases were partially offset by \$312,110 in funds that were previously budgeted for change orders and construction claims, resulting in a net increase of \$905,784.

The increase in project soft costs reflects the incorporation of additional telecommunications equipment and project management activities during the period of delay.

The enclosed appropriation adjustment (Enclosure B) will transfer appropriation in the amount of \$1,124,000 to the Fire Station 72 - Replacement Building project from the Fire District's Accumulated Capital Outlay Fund, Services and Supplies. Sufficient appropriation will be available in the 2005-06 Capital Projects Budget, upon your Board's approval of the enclosed appropriation adjustment. The proposed project is entirely funded by the Consolidated Fire Protection District's Accumulated Capital Outlay Fund.

The Project Schedule and Budget Summary are included in Enclosure A.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The original contract was publicly and competitively bid. On the default of the prime contractor, the Fire District entered the completion agreement with the surety, pursuant to the performance bond provision of the original contract. To complete the project, it was necessary to amend the completion agreement to allow the Fire District to select a new replacement contractor. Pursuant to this amendment, the Fire District elected to procure a replacement contractor following a focused competitive bid process.

ENVIRONMENTAL DOCUMENTATION

On June 9, 1992, and January 14, 2003, your Board approved a Mitigated Negative Declaration and Addendum 1 to the Mitigated Negative Declaration for the proposed project.

CONTRACTING PROCESS

On March 30, 2004, your Board authorized the Chief Administrative Officer, Fire Chief, and Director of Public Works to negotiate with the surety, to execute an amendment to the completion agreement, and settle outstanding claims. In the settlement agreement

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with the surety, the County assumed the rights and obligations of the surety and invited four contractors to submit bids. On May 11, 2005, three bids were received. The CAO, Fire District, and Public Works reviewed the bids and determined Braaksma Construction, Inc., with the low bid of \$2,030,000, will provide the best value for the County. The bid results are summarized in Enclosure C.

Braaksma Construction, Inc.'s Community Business Enterprises participation data and three-year contracting history with the County are on file with Public Works.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no impact to current County services during the construction of the proposed project. A temporary fire station located at 1250 Encinal Canyon Road is currently being used to provide services for this area of the County.

CONCLUSION

Please return one adopted copy of this letter to the CAO (Capital Projects Division), Fire District, and Public Works.

Respectfully submitted,

DONALD L. WOLFE
Director of Public Works

DAVID E. JANSSEN
Chief Administrative Officer

P. MICHAEL FREEMAN
Fire Chief

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Enc. 3

cc: Auditor–Controller
County Counsel
Office of Affirmative Action Compliance

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ENCLOSURE A

**FIRE STATION 72 – REPLACEMENT BUILDING
APPROVE APPROPRIATION ADJUSTMENT
APPROVE REVISED TOTAL PROJECT BUDGET
SPECS. 6582; C.P. 70747**

I. PROJECT SCHEDULE

| Project Activity | Scheduled Completion Date | Revised Completion Date |
|---|------------------------------------|--|
| Execution of Original Construction Contract with Global Construction | 08/12/97* | |
| Construction Suspended by Contractor Default | 07/12/99* | |
| Construction Agreement | 02/24/00* | |
| Completion of Required Design Completion of Soils/Geotechnical Investigation Completion of Design Revisions Construction Documents Jurisdictional Approvals | 01/08/03* 09/03/03* 06/22/04 | 10/21/04* 01/31/05* 03/01/05* |
| Approve Completion Agreement Select New Replacement Contractor | 06/09/04 | 10/04/04* 06/28/05* |
| Construction Start Construction Substantial Completion Acceptance | 02/20/05 05/13/05 | 09/01/05 03/30/06 05/31/06 |

* Indicates completed activities

II. PROJECT BUDGET SUMMARY

| Budget Category | Project Budget | Impact of this Action | Revised Project Budget |
|---|-------------------|-----------------------|------------------------|
| Land Acquisition | \$ 244,952 | (\$ 157,574) | \$ 87,378 |
| Construction | | | |
| (a) Construction | \$ 1,500,748 | \$ 1,217,894 | \$ 2,718,642 |
| (b) Change Orders | \$ 511,110 | (\$ 206,610) | \$ 304,500 |
| (c) Settlement of GAIC & Stuart Construction Claims | <u>\$ 179,000</u> | <u>(\$ 105,500)</u> | <u>\$ 73,500</u> |
| Subtotal | \$ 2,190,858 | \$ 905,784 | \$ 3,096,642 |
| Equipment | \$ 0 | \$ 75,000 | \$ 75,000 |
| Plans and Specifications | | | |
| (a) Initial Evaluation and Upgrades | \$ 108,810 | (\$ 9,295) | \$ 99,515 |
| (b) Design Revisions | \$ 75,700 | 0 | \$ 75,700 |
| (c) Construction Administration | <u>\$ 24,300</u> | <u>0</u> | <u>\$ 24,300</u> |
| Subtotal | \$ 208,810 | (\$ 9,295) | \$ 199,515 |
| Consultant Services | \$ 41,000 | \$ 90,874 | \$ 131,874 |
| Miscellaneous Expenditures | \$ 37,000 | (\$ 21,500) | \$ 15,500 |
| Jurisdictional Review and Plan Check | \$ 5,000 | \$ 2,469 | \$ 7,469 |
| County Services | \$ 601,725 | \$ 238,242 | \$ 839,967 |
| TOTAL | \$ 3,329,345 | \$1,124,000 | \$ 4,453,345 |

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ENCLOSURE B

**FIRE STATION 72 – REPLACEMENT BUILDING
APPROVE APPROPRIATION ADJUSTMENT
APPROVE REVISED TOTAL PROJECT BUDGET
SPECS. 6582; C.P. 70747**

**APPROPRIATION ADJUSTMENT
3 - VOTES
FY 2005-06**

FINANCIAL SOURCES

Fire District Accumulated Capital
Outlay Fund
Services and Supplies
J13 – FR - 50099 - 2000
\$1,124,000

FINANCIAL USES

Fire District Accumulated Capital
Outlay Fund
Fire Station 72 – Replacement
Building project
Building and Improvements
J13 – FR – 70747 – 6014
\$1,124,000

JUSTIFICATION:

The appropriation adjustment is necessary to complete the construction of Fire Station - 72 Replacement Building project.

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ENCLOSURE C

**FIRE STATION 72- REPLACEMENT BUILDING
APPROVE APPROPRIATION ADJUSTMENT
APPROVE REVISED TOTAL PROJECT BUDJET
SPECS. 6582; C.P. 70747**

Bid Summary

The project includes construction of the Fire Station 72 – Replacement Building.

Bid Opening Date: May 11, 2005

Bid Summary:

| <u>Bidder</u> | <u>Total of Lump Sum Bid</u> |
|--------------------------------|------------------------------|
| 1. Braaksma Construction, Inc. | \$2,030,000 |
| 2. Gonzales Construction | \$2,034,000 |
| 3. Woodcliff Corporation | \$2,352,000 |